The DISCLOSE Act:

Democracy is Strengthened by Casting Light on Spending in Elections Act

The legislation will address seven major points:

1. **Enhance Disclaimers:** ***Make CEOs and other leaders take responsibility for their ads.***

If a corporation, union, section 501(c)(4), (5), or (6) organization, or section 527 organization spend on campaign-related activity, its CEO or organization head will have to stand by the ad and say that he or she "approves this message," just like candidates have to do now. In order to seek out the real money behind the ad, this legislation will drill down several layers and require the top contributor directing the funds to also "stand by the ad." Additionally, we require the top five contributors to an organization to be listed on the screen.

2. **Enhance Disclosures:** ***It is time to follow the money.***

Any covered organization must disclose within 24 hours to the FEC not just its campaign-related activity, but also transfers of money to other groups which can then be used for campaign-related activity. Additionally, a covered organization must disclose its donors and has two options: 1) it can disclose all of its donors $1,000 and above; or 2) it can set up a "Campaign-Related Activity" account and disclose only those political donors to that account $1,000 and above. If, however, the organization dips into its general account for funds, it must then disclose all its general treasury donors in excess of $10,000. In both options, the Act allows for organizations to "wall-off" donations if the donor does not want the money to go to campaign-related spending.

3. **Prevent Foreign Influence:** ***Foreign countries and entities should not be determining the outcome of our elections.***

Corporations that have either 1) a foreign entity controlling 20% of its voting shares; 2) foreign nationals comprising a majority of its board of directors; 3) a foreign national who directs, dictates, or controls U.S. operations; or 4) a foreign national who directs, dictates, or controls political decision-making are banned from spending in U.S. elections. If a corporation is under the direction or control of a foreign entity, it should not be able to spend money on our elections.

4. **Shareholder/Member Disclosure:** ***We should allow shareholders and members to know where money goes.***

This provision would mandate disclosure by corporations, unions, and other groups to their shareholders and members in their annual and periodic reports. This would also require these groups to make their political spending public on their websites within 24 hours after filing with the FEC.

5. **Prevent Government Contractors from Spending:** ***Taxpayer money should not be spent on political ads.***

Due to the appearance of corruption and possible misuse of taxpayer funds, government contractors with a contract worth more than $50,000 will not be allowed to spend money on elections. Similarly, TARP recipients who have not paid back government funds are also banned from spending.

6. **Provide the Lowest Unit Rate for Candidates and Parties:** ***Special interests should not drown out the voices of the people.***

If a covered organization buys airtime to run ads that support or attack a candidate, then candidates, parties, and party committees get to take advantage of the lowest unit rate for that market. This provision is limited specifically to that media market. Additionally we improve the reasonable access provisions to ensure that candidates are not shut out of airtime.

7. **Tighten Coordination Rules:** ***Corporations should not be able to "sponsor" a candidate.***

Loopholes in current coordination rules would be filled, thereby banning coordination between a candidate and outside groups on ads that reference a candidate from the time period beginning 90 days before a primary and running through the general election. At the same time, rules limiting coordination between the party and the candidate are loosened a bit to allow for effective responses to the influx of corporate and special interest money.